

AMP CONTRACT NO. 2016-002958-ICA

INTERCONNECTION AGREEMENT
BETWEEN
THE CITY OF ORRVILLE, OHIO,
AND
AMERICAN MUNICIPAL POWER, INC.
AND
DG AMP SOLAR, LLC

THIS INTERCONNECTION AGREEMENT ("Agreement") is made this 7th
day of March, 2017 by and between DG AMP Solar, LLC ("Project
Owner"), American Municipal Power, Inc. ("AMP"), and the City of Orrville, Ohio, a
political subdivision duly organized and existing under and by virtue of the laws of the
State of Ohio that owns and operates an electric utility system ("Host").

WHEREAS AMP and Project Owner have entered into a Solar Power Purchase
Agreement ("Solar PPA") dated as of March 29, 2016.

WHEREAS AMP and Host have entered or will enter into a Solar Power Sales
Contract ("Solar PSC") regarding the AMP Phase II Solar Project dated as of March
31, 2016;

WHEREAS Project Owner intends to install and operate or cause to be installed
and operated solar generation facilities (the "Solar Facility") to be built on two sites
leased to Project Owner, located at Venture Drive, Orrville, Ohio and Allen
Drive, Orrville, Ohio ("Sites"). The Solar Facility is projected to have a Capacity of
approximately 3.50 megawatts ("MW")(AC); and,

WHEREAS AMP, Host and Project Owner desire to enter into this Agreement for
the purposes of interconnecting the Solar Facility to the Host's electric utility system (the
"Electric System") through the Interconnection Facilities (hereinafter defined) in order to
enable AMP to make available, or from time to time deliver, electric Capacity, Energy

1 and Environmental Attributes from the Solar Facility into the Host's Electric System in
2 accordance with this Agreement and the Solar PSC.

3
4 **NOW THEREFORE**, the Parties agree as follows:

5
6 **I. Definitions.**

7 The definitions of capitalized terms herein shall be as set forth in the Solar PPA,
8 in addition to those noted below.

9 A. Host shall mean the Host noted above.

10 B. Interconnection Facilities shall mean the equipment on both sides of the
11 Point of Interconnection that is presently in place or has been mutually determined is
12 necessary in order to interconnect with and deliver Capacity and Energy from the Solar
13 Facility to Host's Electric System, as set forth in Appendix A hereto. Interconnection
14 Facility includes the additions, modifications, and/or reinforcements to Host's Electric
15 System that Host, in the exercise of its reasonable judgment and consistent with
16 Prudent Practice, deems necessary to support receipt and subsequent distribution of
17 Capacity and Energy from the Solar Facility.

18 C. Lease shall mean the Lease Agreement between Project Owner and Host,
19 dated as of [DATE], for the Site.

20 D. Peak Load Contribution ("PLC") shall mean the average of Host's load at
21 the time of PJM's five (5) coincident peaks ("CPs") from the summer prior to the relevant
22 delivery year.

23 E. Peak-Shaving shall mean the operation of a generator during a PJM
24 system wide peak or the Transmission Owner's zonal transmission peak. Peak-shaving
25 reduces Host's PLC and/or Network Service Peak Load (transmission billing demand).

26 F. Point of Interconnection shall mean the point at which the Solar Facility
27 interconnects with the facilities of Host as specified in Appendix A.

1
2 **II. Term and Termination.**

3 A. Term. Subject to the conditions contained herein, this Agreement shall
4 become effective upon execution and shall be co-terminus with the length of the Lease,
5 including any successive Power Sales Contract entered into subsequent to the sale or
6 assignment of the Solar PSC, approved by Host in duly enacted Resolution No. 43-16
7 and for six (6) months thereafter ("Interconnection Term"), unless terminated earlier for
8 any reason set forth in this Agreement. For the avoidance of doubt, the termination of
9 the Solar PPA shall not result in the termination of this Agreement.

10 B. Post Termination. In the event of termination of the Solar PPA for
11 reasons other than AMP's exercise of its Purchase Option or a Project Owner Default,
12 at Host's option, Host may either:

13 Option1: Negotiate a mutually acceptable amendment to this
14 Agreement with AMP and the Project Owner to govern their relationship
15 thereafter; or

16 Option 2: (i) Permit Project Owner, at Project Owner's cost, to move
17 the Solar Facility in front of the meter such that it no longer qualifies as a behind
18 the meter generating resource. Once the Solar Facility is in front of the meter,
19 Project Owner shall sell the Output into the PJM market or otherwise and shall
20 pay Host a fee equal to the amount of any Capacity-based revenues the Project
21 Owner receives from PJM resulting from the Solar Facility's participation in the
22 PJM market; and (ii) if applicable, enter into an agreement with Project Owner to
23 permit Project Owner to use Host's distribution line to sell power into the PJM
24 Market at no additional cost to Project Owner. Project Owner shall use
25 commercially reasonable efforts to maximize the Capacity-based revenue.
26 Additionally, neither AMP nor Host shall be responsible for any capacity penalty
27 associated with the Solar Facility's performance or otherwise; or

28 Option 3: Permit Project Owner to maintain the Solar Facility behind
29 Host's meter and Host shall pay Project Owner ninety five percent (95%) of the
30 LMP for the applicable hour at the applicable delivery point for energy that sinks
31 in Host's Electric System.

1
2 Additionally, in the case of either Options 2 or 3, Host shall be entitled to fifty
3 percent (50%) of the Environmental Attributes created or available from the
4 System hereunder. The Parties shall cooperate in efforts to maximize the value
5 of the same. Such Environmental Attributes shall be promptly created and
6 transferred to Host or Host's designee consistent with the GATS Operating
7 Rules, if applicable, or otherwise as agreed to by Host and Project Owner. Host
8 and Project Owner shall pay their respective costs, fees and expenses to create
9 and maintain a GATS account for the purpose of delivering and taking delivery,
10 as applicable, of the Environmental Attributes sold under this Agreement.
11

12 **III. Interconnection Service.**

13 **A. Project Owner and AMP Responsibilities.**

14 1. Project Owner shall be responsible for all costs of design,
15 construction, installation, and maintenance of the Interconnection Facilities on Project
16 Owner's side of the Point of Interconnection as set forth in Appendix A. Such design,
17 construction, installation, and maintenance shall be in accordance with Prudent
18 Practice. Project Owner shall be solely responsible for the construction and installation
19 of the Interconnection Facilities on Project Owner's side of the Point of Interconnection.
20 Any Interconnection Facilities listed in Appendix A that are installed on Host's side of
21 the Point of Interconnection shall become the property of Host on the Commercial
22 Operation Date, with Host possessing full and unencumbered title thereto.

23 2. Project Owner shall provide Host access to Project Owner site and
24 Interconnection Facilities at no cost to Host for the purpose of ensuring safe and reliable
25 operations of Host's Electric System.

26 3. AMP shall be responsible for procuring and paying for all ancillary
27 services it requires with respect to bidding Capacity available from and scheduling the
28 Energy produced by the Solar Facility.

29 4. Project Owner shall be responsible for installing and maintaining
30 compatible metering and communications equipment to accurately account for the

1 Capacity, associated Energy and reactive power made available or delivered to Host's
2 Electric System. Host shall have access to such metering data on a real time basis.

3 B. Host Responsibilities.

4 1. Subject to Article III(A)(1), AMP and/or Host shall operate and
5 maintain the Interconnection Facilities on Host's side of the Point of Interconnection.
6 AMP and/or Host agrees to operate and maintain those Interconnection Facilities in
7 accordance with Prudent Practice.

8 2. Host shall timely review and have the right to approve, such
9 approval not to be unreasonably conditioned or withheld, the design, construction and
10 installation of the Interconnection Facilities and the in service date thereof.

11 C. Mutual Responsibilities.

12 1. During the term of this Agreement, each Party shall inform the
13 others of any changes to its respective facilities that might reasonably be expected to
14 affect the operation of the other Party's facilities.

15 2. Host and Project Owner shall cooperate in good faith in connection
16 with the development, construction, testing, start-up and operation of the Solar Facility.

17 3. Host and Project Owner shall cooperate in connection with the use
18 of the Solar Facility for Peak Shaving or as a demand response resource in accordance
19 with Section III (D)(4) below.

20 4. At AMP's and Project Owner's request, Host will cooperate in
21 investigating whether or not additions to the Solar Facility, including but not limited to,
22 installations of battery storage, is reasonable, economic and beneficial.

23 D. Terms and Conditions.

24 1. Continuity of Service. Host may require AMP and Project Owner to
25 curtail, interrupt or reduce deliveries of Capacity and Energy if, in the exercise of Host's
26 reasonable judgment exercised in accordance with Prudent Practice, such delivery of
27 Capacity and Energy would have a material adverse impact on the quality of service
28 rendered by Host to its customers by interfering with the safe and reliable operation of
29 Host's Electric System, until the condition has been corrected. Host shall use all
30 reasonable efforts to mitigate the extent and duration of such curtailment, interruption or
31 reduction. Except in the case of an emergency, Host shall give AMP and Project Owner

1 reasonable notice prior to any curtailment, interruption or reduction, the reason for its
2 occurrence and its probable duration.

3 2. Disconnection. Host shall have the right to disconnect the
4 Interconnection Facilities from Host facilities, if in the exercise of its reasonable
5 judgment exercised in accordance with Prudent Practice, it determines that an
6 emergency exists that is likely to adversely affect or impair the reliability of the Solar
7 Facility or facilities on Host's side of the Point of Interconnection. Host shall reconnect
8 to its Electric System as soon as is practicable consistent with Prudent Practice.

9 3. Interconnection Equipment Modifications.

10 a. Project Owner shall pay or reimburse Host for the cost of
11 any necessary modifications to the Interconnection Facilities consistent with Prudent
12 Practice to maintain interconnection service to the Solar Facility that Host would not
13 have incurred but for the interconnection of the Solar Facility.

14 b. Project Owner shall provide Host reasonable written prior
15 notice of any additions, modifications and/or reinforcements to the Interconnection
16 Facilities that Project Owner has reasonably determined to be necessary consistent with
17 Prudent Practice.

18 4. Demand Response and Peak Shaving Policy.

19 a. Host and AMP recognize that PJM limits the registration of
20 demand response resources physically served by the Host to the Host's PLC such that
21 a Host may not have more demand response resources than it has PLC.

22 b. The Solar Facility shall take priority over existing jointly-
23 owned generation, Host-owned generation or other end-use customer Capacity
24 resources when PLC is allocated for demand response. Existing jointly-owned
25 generation and Host-owned generation shall share the remaining available PLC on a
26 pro rata basis. Host's retail customer demand response is allocated PLC after
27 assigning PLC to jointly-owned generation and Member-owned generation. It is Host's
28 authority and responsibility to determine how to allocate PLC remaining after new and
29 existing jointly-owned generation has received its PLC.

1 c. Capacity and transmission credits from the Solar Facility
2 includes kW's peak-shaved by that generation. These kW's are added back to the
3 Host's load to calculate Host's Capacity and transmission charges.

4 PJM measures compliance for wholesale demand response
5 resources by using Host's interconnection point. If Host has more than one
6 interconnection, the interconnection meters are summed together. All wholesale
7 generating units behind the same meter are measured at the same interconnection,
8 regardless of ownership.

9 To the extent current PJM rules affecting this Section III D(4) are
10 modified, Host and AMP shall negotiate in good faith to modify this Section III D(4) to
11 reflect such changes while balancing the benefits and burdens of the Parties pursuant
12 to this agreement and the PSC.

13
14 **IV. Operating Committee.** AMP, Project Owner and the Host shall each appoint
15 one (1) representative to an operating committee (the "Operating Committee") which
16 shall meet, at the reasonable request of either Party, as often as necessary to provide
17 information regarding the operations and obligations hereunder but in no event less
18 than once a year, and to discuss and act upon such other matters as are appropriate
19 and convenient. The Operating Committee shall act only by unanimous agreement and
20 shall keep written minutes of its meetings and actions.

21
22 **V. Event of Default.** Any one (1) or more of the following events shall constitute an
23 event of default hereunder:

24 A. Any Party's failure to observe or perform or cause to be observed or
25 performed any other term, covenant, agreement under this Agreement, and continuation
26 of this failure for a period of thirty (30) days after any Party's written notice to the others
27 specifying the nature of such Party's failure, provided, however, that such failure shall
28 not constitute a default if it is curable but cannot with reasonable diligence be cured by
29 such Party within a period of sixty (60) days, provided such Party proceeds to cure the
30 failure with reasonable diligence and in good faith;

31 B. Project Owner's abandonment of the Solar Facility; or,

1 C. The filing of a petition in bankruptcy or insolvency, for reorganization or
2 the appointment of a receiver or trustee of all or a portion of Project Owner's property,
3 by or against Project Owner in any court pursuant to any statute either of the United
4 States or of any state; and Project Owner's failure to secure a dismissal of the petition
5 within one hundred twenty (120) days after its filing.

6
7 **VI. Compensation.** As Host is provided significant benefits from acting as a Host,
8 no additional compensation shall be required hereunder.

9
10 **VII. Limitations and Other General Provisions.**

11 A. Standard of Care. Each Party to this Agreement shall use its reasonable
12 commercial efforts to provide the services and perform the obligations required to be
13 provided and performed pursuant to this Agreement and shall act at all times in a
14 manner consistent with Prudent Practice.

15 B. Limitation of Remedies, Liability and Damages. No Party shall have any
16 liability to the other for any costs, damages or liability arising from its failure to provide
17 such services or perform such obligations absent willful and wanton misconduct by such
18 Party. THE PARTIES AGREE THAT THE EXPRESS REMEDIES AND MEASURES
19 OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL
20 PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN
21 EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS
22 REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE
23 REMEDY, SUCH PARTY'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH
24 PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY
25 ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY
26 HEREIN PROVIDED, SUCH PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT
27 ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE
28 SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT
29 LAW OR IN EQUITY ARE WAIVED, NO PARTY SHALL BE LIABLE FOR
30 CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL OR INDIRECT
31 DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY

1 STATUTE, IN TORT OR CONTRACT, OR OTHERWISE. IT IS THE INTENT OF THE
2 PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE
3 MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES
4 RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER
5 SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR
6 PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER
7 ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE
8 DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN
9 ADEQUATE REMEDY IS INCONVENIENT AND THE LIQUIDATED DAMAGES
10 CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. Each
11 Party agrees that it will carry or cause to be carried such insurance as is customary in
12 the electric utility industry to protect it against losses and damages that may arise in
13 connection with the ownership, operation and maintenance of the Solar Facility. Each
14 Party shall pay all costs and expenses, including reasonable attorneys' fees, related to
15 such Party's failure to comply with the provisions of this Agreement.

16 C. Force Majeure. Neither Host nor Project Owner shall be considered in
17 default under this Agreement if prevented from fulfilling any obligation due to an event of
18 *Force Majeure*. The Party unable to perform shall: (i) notify the other Parties in writing,
19 by telephone or electronic transmission within a reasonable time after the occurrence of
20 the event; (ii) be excused only while such *Force Majeure* event exists; and, (iii) make
21 good faith efforts to expeditiously alleviate such situation. No Party shall be required by
22 the foregoing provisions to settle a strike, lockout or other labor dispute affecting it
23 except when, according to its own best judgment, such a settlement is advisable.

24 D. Amendments. This Agreement may be amended only in writing signed by
25 all Parties hereto.

26 E. Assignment.

27 1. With prior notice to the Host and without consent, Project Owner
28 may transfer, assign or sublet this Agreement and its rights and obligations
29 hereunder to an Affiliate of Project Owner.

30 2. With prior notice to the Host and without consent, Project Owner
31 may transfer, assign or sublet this Agreement and its rights and obligations

1 hereunder as collateral to a Project Investor in connection with debt or tax equity
2 financing or refinancing of the Solar Facility. Host shall provide such consents to
3 collateral assignment or other documents (including estoppel certificates related
4 to a tax equity financing) as may be reasonable requested by Project Owner in
5 connection with the financing or refinancing of the Solar Facility; *provided,*
6 *however,* that Project Owner shall reimburse Host and AMP, as applicable, for
7 any and all costs or expenses incurred in connection therewith.

8 3. Any other assignments of this Agreement by a Party without the
9 prior express written consent of the non-assigning Parties is prohibited; provided
10 that such consent shall not be unreasonably withheld, conditioned or delayed.

11 F. Counterparts. This Agreement may be executed in one (1) or more
12 counterparts, each of which shall be deemed to be an original but all of which together
13 will constitute one (1) and the same instrument.

14 G. Entire Agreement. This Agreement contains the entire agreement
15 between AMP, Project Owner and Host with respect to the matters provided herein, and
16 any agreement made after the execution of this Agreement between AMP, Project
17 Owner and Host shall be ineffective to change, modify, waive, release, discharge, or
18 terminate this Agreement, in whole or in part, unless that agreement is in writing and
19 signed by the Party against whom enforcement is sought.

20 H. No Waiver of Breach. The failure of any Party to seek redress for violation
21 of, or to insist on the strict performance of any covenant, agreement, term, provision, or
22 condition of this Agreement shall not constitute a waiver of the covenant, agreement,
23 term, provision, or condition. The receipt or payment hereunder with knowledge of the
24 breach of any covenant, agreement, term, provision, or condition of this Agreement
25 shall not be deemed a waiver of that breach.

26 I. No Third Party Beneficiaries. Nothing in this Agreement is intended or
27 shall be construed to give any person, other than the Parties hereto, any legal or
28 equitable right, remedy or claim under or in respect of this Agreement or any provision
29 contained herein. Nothing in this Agreement shall be construed to create any duty,
30 standard of care or liability to any person not a Party to this Agreement.

1 J. Headings. The section and subsection headings and captions appearing
2 in this Agreement are inserted only as a matter of convenience and shall not be given
3 any legal effect.

4 K. Severability. If any restriction, covenant or provision of this Agreement
5 shall be adjudged by a court of competent jurisdiction to be void as going beyond what
6 is reasonable in all the circumstances for the protection of the interests of the Party
7 seeking to enforce such restriction, covenant or provision, the provisions of this
8 Agreement shall be interpreted to carry out to the greatest extent possible the intent of
9 the Parties and to provide to each party a reasonable approximation of the benefits
10 such Party would have received under this Agreement if such restriction, covenant or
11 provision had been enforceable.

12 L. Officials Not Liable. No official or employee of any Party shall be
13 personally liable for any matter arising from or in any way connected to this Agreement.

14 M. Notices.

15 All Notices given by Host to AMP hereunder shall be directed to:

16 Attn: Marc Gerken, P.E.
17 President/CEO
18 American Municipal Power, Inc.
19 1111 Schrock Road, Suite 100
20 Columbus, Ohio 43229
21 Telephone: 614-540-1100
22 Facsimile: 614-540-1113
23

24 With a copy to:

25
26 Attn: Rachel Gerrick
27 Senior Vice President/General Counsel
28 Counsel Corporate Affairs
29 American Municipal Power, Inc.
30 1111 Schrock Road, Suite 100
31 Columbus, Ohio 43229
32 Telephone: 614-540-6401
33 Facsimile: 614-540-6397
34

35 All Notices given by Host to Project hereunder shall be directed to:

36
37 DG AMP Solar, LLC
38 c/o NextEra Energy Resources, LLC
39 700 Universe Boulevard

1 Juno Beach, Florida 33408
2 Attn: Matthew Handel, Vice President
3 Phone: 561-304-6040
4 Email: Matt.Handel@nee.com
5

6 With copy to:

7
8 NextEra Energy Resources, LLC
9 700 Universe Boulevard
10 Juno Beach, Florida 33408
11 Attn: Vice President and General Counsel
12 Phone: 561-691-7126
13 Email: Mitch.Ross@nee.com
14

15 All Notices given by AMP to Host hereunder shall be directed to:

16 City of Orrville
17 Attention: Jeff A. Brediger, Director of Utilities
18 P.O. Box 107, 207 North Main Street
19 Orrville, OH 44667
20
21

22 If to AMP, all such Notices shall be given as specified in the notice
23 provisions of the Solar PSC.

24 The Parties shall update the notice addresses and contacts by written
25 notice to the other as appropriate.

26 N. Governing Law. The terms and provisions of the Agreement and the
27 rights and obligations of the Parties hereto shall be in accordance with the Solar PSC
28 and shall be governed by and construed in accordance with the laws of the State of
29 Ohio.

30 O. Limited Obligation. All obligations of the Host under this Agreement are
31 limited obligations of the Host, payable solely from the revenues of the Host's Electric
32 System.

33
34 ***[Remainder of Page Left Blank Intentionally - Signature Page Follows This Page]***


35 * * *
36

1
2 **IN WITNESS WHEREOF**, each of the Parties has caused this Agreement to be
3 duly executed.
4


AMERICAN MUNICIPAL POWER, INC.

By: 
Marc S. Gerken, P.E.
President/CEO

Approved as to Form and Attest:

By: 
Lisa G. McAlister
Senior VP/General Counsel

CITY OF ORRVILLE, OHIO

By: 
Jeff A. Brediger
Director of Utilities

Approved as to Form and Attest:

By: 
Cheryl Kirkbride
Director of Law

DG AMP SOLAR, LLC

By: _____
Matthew Handel
Vice President

Approved as to Form and Attest:

By: _____
Jill Toothman
Managing Attorney

INTERCONNECTION FACILITIES

[TO COME]